



Health Services
LOS ANGELES COUNTY

December 15, 2009

**Los Angeles County
Board of Supervisors**

Gloria Molina
First District

Mark Ridley-Thomas
Second District

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Third District

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Fourth District

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Fifth District

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, California 90012

Dear Supervisors:

**APPROVAL OF AMENDMENT TO THE MEDICAL RESEARCH
BUSINESS ADMINISTRATION AND EDUCATION AGREEMENT WITH
HEALTH RESEARCH ASSOCIATION, INC.
(SUPERVISORIAL DISTRICT 1)
(3 VOTES)**

John F. Schunhoff, Ph.D.
Interim Director

Robert G. Splawn, M.D.
Interim Chief Medical Officer

SUBJECT

Request approval to extend the Agreement with Health Research Association, Inc. (HRA) for medical research business administrative and education services.

313 N. Figueroa Street, Suite 912
Los Angeles, CA 90012

Tel: 213-240-8101
Fax: 213-481-0503

www.dhs.lacounty.gov

*To improve health
through leadership,
service and education*

IT IS RECOMMENDED THAT YOUR BOARD:

1. Authorize the Interim Director of Health Services, or his designee, to execute Amendment No. 2 to Agreement No. H-700224 with Health Research Associates, Inc. (HRA), effective January 1, 2010, to extend the Agreement indefinitely until terminated by either party, for the continued provision of medical research business administration and education services at LAC+USC Medical Center (LAC+USC) at no cost to the County.
2. Delegate authority to the Interim Director of Health Services, or his designee, to execute future amendments to the Agreement to periodically update the County contract provisions, and amend the Agreement's Exhibit A, "Description of Services", as necessary, to address operational modifications, with mutual consent of the parties, and approval by County Counsel and the Chief Executive Office.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS

Approval of the first recommendation will allow the Interim Director of Health Services to execute an Amendment, substantially similar to Exhibit I, to extend the Agreement indefinitely to allow for the continuation of medical research business administration and education services at LAC+USC,



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effective January 1, 2010. The current agreement expires on December 31, 2009.

Under the existing Agreement, HRA seeks, applies for, and obtains contracts, donations, and non-County funded grants from government and private agencies, and individuals, to support its medical research and education services at LAC+USC. HRA pays LAC+USC to cover the costs of occasional ancillary services (i.e., laboratory tests, radiology services, etc.) provided to HRA in support of its various medical research projects. The Agreement also allows for periodic space usage by HRA at LAC+USC in support of the medical research and educational projects managed by HRA, and provides HRA with the option of utilizing a maximum of 70 parking spaces in one of LAC+USC Medical Center's parking structures at a specified monthly rate.

In approving prior agreements with HRA for medical research administration and education services, your Board has found that the medical research and educational projects conducted by HRA on all phases of human illness have proven to be of substantial value to County patients, as well as the medical community and the public at large. Since approval of the first Agreement in 1969, the medical research and educational projects have been an ongoing and integral component of the operations at LAC+USC, and will continue to be of critical importance. As such, the no-cost Agreement does not require a termination date. Periodic updating of the Agreement's provisions will be handled through delegated authority requested in the second recommendation.

Approval of the second recommendation will allow the Interim Director to execute future amendments to the existing Agreement to 1) update the County contract provisions, as necessary and 2) amend the Agreement's Exhibit A, "Description of Services", to address operational modifications such as changes to parking and facility space access and usage.

IMPLEMENTATION OF STRATEGIC PLAN GOAL

The recommended actions support Goal 4, Health and Mental Health, of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

There is no net County cost associated with the Agreement or the recommended Amendment.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Since February 18, 1969, your Board has approved several Agreements and Amendments with HRA for the administration of medical research and education projects at the LAC+USC, the latest Agreement expiring on December 31, 2009.

Under the existing Agreement, HRA provides contracting, business management, and education services to research investigators who are faculty of the University of Southern California (USC) Medical School and other research investigators who are affiliated with USC, and who conduct medical research and education projects at LAC+USC. Concurrent with medical research and education projects performed, research investigators may also provide medical services to County patients and related educational training services to County employees at LAC+USC. Services administered by HRA are financially aided by agreements, donations and grants made by sponsors, government and private agencies, and individuals. The funds are administered by HRA on behalf of research investigators for use in research projects conducted at LAC+USC.

Under the existing Agreement, the rental value of space used by HRA at LAC+USC is not subject to any rental payment or reimbursement by HRA, since the County has determined that the benefit derived from HRA's medical research and education projects in terms of enhancing the delivery of care to County patients adequately offsets the rental value of the space. However, to the extent that HRA is the recipient of grants which specifically provide funding for the use of space, HRA must reimburse the County for the cost of such space and related support services provided to HRA by the County.

The existing Agreement may be terminated by either party at any time, for any reason, upon either party giving at least 90 calendar days advance written notice to the other.

The Amendment includes the Board of Supervisors' recent provision – Defaulted Property Tax Reduction Program.

County Counsel has approved Exhibit 1 as to use and form.

CONTRACTING PROCESS

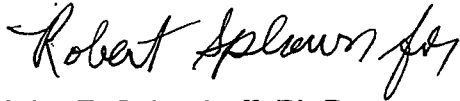
Not applicable.

The Honorable Board of Supervisors
December 15, 2009
Page 4

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Approval of the recommendations will ensure uninterrupted provision of medical research business administration and education services at LAC+USC.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Robert Spawson for".

John F. Schunhoff, Ph.D.
Interim Director

Attachment

c: Chief Executive Officer
Acting County Counsel
Executive Officer, Board of Supervisors

HRA Extension BL
11-25-09 11:05 am

Contract No. H-700224-2

MEDICAL RESEARCH BUSINESS ADMINISTRATION
AND EDUCATION AGREEMENT

AMENDMENT No. 2

THIS AGREEMENT is entered into this _____ day
of _____, 2009,

by and between

COUNTY OF LOS ANGELES (hereafter
"County"),

and

HEALTH RESEARCH ASSOCIATION,
INC. a California Non-Profit Corporation
(formerly known as PROFESSIONAL
STAFF ASSOCIATION OF THE LOS
ANGELES COUNTY+UNIVERSITY OF
SOUTHERN CALIFORNIA (LAC+USC)
(hereafter "Contractor")

WHEREAS reference is made to that certain document entitled
"MEDICAL RESEARCH BUSINESS ADMINISTRATION AND EDUCATION
AGREEMENT", dated January 1, 2004, and further identified as County Agreement No.
H-700224, between the County and HEALTH RESEARCH ASSOCIATION, INC., and
any amendments hereto (all hereafter "Agreement"); and

WHEREAS, it is the intent of the parties hereto to amend Agreement to extend
the term and to make other hereinafter designated changes; and

WHEREAS, said Agreement provides that changes may be made in the form of a
written amendment which is formally approved and executed by the parties.

NOW, THEREFORE, the parties hereto agree as follows:

1. This Amendment shall become effective on January 1, 2010.
2. Agreement Paragraph 1, TERM, first sub-paragraph, shall be revised as follows:

“1. TERM: The term of this Agreement shall commence on January 1, 2004, and shall continue in full force and effect, with no termination date, unless the desire of either party to terminate same has been given in writing to the other party as soon as practical, but no later than **ninety (90)** calendar days before the desired date.”

3. Agreement Exhibit A, DESCRIPTION OF SERVICES, Paragraph 4, CONTRACTOR'S USE OF COUNTY SPACE, Sub-paragraph B, Parking, shall be deleted in its entirety and replaced with the follows:

"B. Parking: County shall make available to Contractor the use of up to seventy (70) parking spaces in a designated County parking structure or lot I, at County's approved rate per space per month, on a first come, first served basis. The parking spaces shall be used only by Contractor's authorized personnel. .

In connection with parking at County parking structure, the following process shall be utilized:

(1) Contractor will generate a parking request form (supplied by County) to the County's 's Parking Services Office ("Parking Services") requesting the number of spaces required and listing necessary information regarding the Contractor's authorized personnel.

(2) Parking Services will process a parking request and promptly approve the request upon verification of requested information, as long as the Contractor has not exceeded the seventy (70) spaces allotted to Contractor. Contractor's authorized personnel must appear in person, at the place noted by County , to be issued a card key, photo badge, and hang tag.

(3) The County approved monthly rate will (a) be applied to the number of hang tags issued to Contractor's authorized personnel , (b) be billed, if applicable, on a pro-rata basis to correspond to the number of days the parking authorization for the hang tag is in effect during such month, and (c) be billed by Parking Services to Contractor, in arrears, on a monthly basis. Contractor shall provide payment to County within thirty (30) days of receipt of invoice."

4. Paragraph 36, "CONTRACTOR'S WARRANTY OF COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM", shall be added to the Additional Provisions of the Agreement as follows:

"36. CONTRACTOR'S WARRANTY OF COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM:

A. Contractor acknowledges that County has established a goal of ensuring that all individuals and businesses that benefit financially from County through contract are current in paying their property tax obligations (secured and unsecured roll) in order to mitigate the economic burden otherwise imposed upon County and its taxpayers.

B. Unless Contractor qualifies for an exemption or exclusion, Contractor warrants and certifies that to the best of its knowledge it is now in compliance, and during the term of the Agreement will maintain compliance, with Los Angeles Code Chapter 2.206."

5. Paragraph 37, "TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM", shall be added to the Additional Provisions of the Agreement as follows:

"37. TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S DEFAULTED PROPERTY TAX REDUCTION PROGRAM: Failure of Contractor to maintain compliance with the requirements set forth in Paragraph 36 above shall constitute default under this Agreement. Without limiting the rights and remedies available to County under any other provision of this Agreement, failure of Contractor to cure such default within ten (10) days of notice shall be grounds upon which County may terminate this Agreement and/or pursue debarment of Contractor, pursuant to County Code Chapter 2.206."

5. Except for the changes set forth hereinabove, Agreement shall not be changed in any other respect by this Amendment.

IN WITNESS WHEREOF, the Board of Supervisors of the County of Los Angeles has caused this Amendment to be subscribed by its Interim Director of Health

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Services and Contractor has caused this Agreement to be subscribed in its behalf by its duly authorized officer, the day, month, and year first above written.

COUNTY OF LOS ANGELES

By _____
John F. Schunhoff, Ph.D.
Interim Director of Health Services

HEALTH RESEARCH ASSOCIATION, INC.
a California Non-Profit Corporation
Contractor

By _____
Signature

Printed Name

Title _____
(AFFIX CORPORATE SEAL)

APPROVED AS TO FORM
BY THE OFFICE OF
THE COUNTY COUNSEL